

# Virginia

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## BACKGROUND

Virginia's real GDP increased at an annual rate of 6.0%.<sup>1</sup> The General Assembly convened on August 2, 2021, for a second special session to update the budget and reallocate funds due to increased state tax revenue and federal funds. The FY22 operating budget is \$71,215,793,926, an increase of \$3,720,939,119 over the last year's biennial amount. Additionally, Virginia received \$4,293,700,000 from the American Rescue Plan Act (ARPA) with \$1,898,500,000 for P-12. Higher education allocations from ARPA included \$843,900,000 for higher education.<sup>2</sup>

## FUNDING PRIORITIES FOR P-12 AND HIGHER EDUCATION

Salaries are the largest part of any education system, and as such, were a priority for public and higher education. Virginia's Governor proposed revisions in December 2020 for the biennium budget, which addressed concerns resulting from the pandemic. The Governor's budget provided approximately \$513 million over the biennium to protect the economic stability of local school divisions with unstable enrollments. The priorities for K-12 included:<sup>3</sup>

- \$214.2 million for "no loss" in pandemic enrollment loss.
- Reduced unfunded liabilities in the VRS teacher retirement plan by directing a deposit of an estimated \$61.3 million in the FY 2021 to expedite repayment of contributions that were deferred during the 2010-2012 biennium.
- Required local school boards to employ one school counselor per 325 students in grades K-12 and provided \$26.6 million in GF in FY 2022 for the state to share these costs.
- Provided an overall 5% raise for educators over FY21 and FY22.

In higher education, priorities include continuing financial aid funding – especially for vulnerable populations and support funding for new initiatives and specialized programs.<sup>4</sup> Following last year's priority, state employees will

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1. <https://www.bea.gov/sites/default/files/2021-06/qgdpstate0621.pdf>

2. <https://thecommonwealthinstitute.org/the-half-sheet/new-federal-funds-for-virginia-whos-getting-what/>. These funds are not included in the per-pupil funding figures.

3. <https://www.vaco.org/governor-northam-releases-budget-proposal-for-2021-general-assembly/>

4. <https://schev.edu/index/reports/schev-reports/2020-reports/fy2022-budget-and-policy-recommendations>

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receive a 5% increase in salary for FY22.

#### CHANGES TO FUNDING FORMULA FOR P-12 AND/OR HIGHER EDUCATION

No changes.

#### PRESSING STATE ISSUE AFFECTING P-12 AND/OR HIGHER EDUCATION

Based on the 2019-2020 Teacher Salary Report, Virginia ranks 32<sup>nd</sup> in average teacher salary in P-12 education.<sup>5</sup> FY21 budget provided a 5% teacher raise deployed over a two-year period. However, the state only provides the composite index share of the raise with localities picking up the rest. In 2020-2021 Virginia teachers' average salary inched up, ranking 23<sup>rd</sup> at \$59,267, still below the national average salary of \$65,090.<sup>6</sup>

Virginia is also facing a “critical shortage” for teachers and school personnel.<sup>7</sup> Data show the staffing levels for P-12 public schools has decreased from 2018-2019 by 3,260 positions while enrollment of Virginia students has increased by 4.4% between 2008-2009 and 2019-2020.<sup>8</sup>

#### INSIGHTS ON POTENTIAL IMPACT OF COVID-19 ON STATE EDUCATION FUNDING

The 2021 *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSA) provided \$900 billion, which allocated \$176 billion for P-12 schools. These funds were available to help schools reopen by hiring more staff, implementing new testing protocols, etc. In addition, Virginia is receiving \$4.3 billion in flexible federal funds, courtesy of the *American Rescue Plan Act*, which earmarks \$1.9 billion for -12 public schools. Private schools in Virginia will receive \$46.3 million in funds; Child-care and Head Start will receive \$810.1 million in funds over the next two years. With the monies received, Governor Ralph Northam proposed to use some of the funds in the following ways:

- Allocate \$250 million for upgrading schools' HVAC for FY22, FY23-24
- College affordability- \$111 million for FY22, FY23-24
- Virtual Virginia (an outreach program that provides free K-12 online learning taught by Virginia-certified teachers for Virginia public school teachers to use in their own classes) - \$10 million for FY22, FY23-24

The *American Rescue Plan Act* of 2021 also benefits higher education. Virginia

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5. [https:// www.doe.virginia.gov/teaching/workforce\\_data/index.shtml](https://www.doe.virginia.gov/teaching/workforce_data/index.shtml)

6. <https://www.nea.org/resource-library/teacher-pay-and-student-spending-how-does-your-state-rank> p. 44, Table E-6

7. [https://www.doe.virginia.gov/teaching/workforce\\_data/index.shtml](https://www.doe.virginia.gov/teaching/workforce_data/index.shtml)

8. <https://thecommonwealthinstitute.org/wp-content/uploads/2021/06/Statewide-K-12-Virginia-Public-Schools.pdf>

received \$843,900,000 for public and private universities divided as follows:

- \$668.8 million for public colleges and universities
- \$164.6 million for private non-profit colleges and universities
- \$10.5 million for for-profit colleges and universities

Colleges and universities will be receiving their funds from the U.S. Dept of Education. These funds are available through September 2023. A portion of the funds must be used for direct emergency grants to students.<sup>9</sup>

EXCLUSIVE TO P-12: ALTERNATIVES TO TRADITIONAL PUBLIC SCHOOLS IN VIRGINIA. WHAT ARE THE TRENDS IN FUNDING?

Alternatives to public schools in Virginia include private schools and public charter schools. In 2021, 979 private schools served 142,279 students – a decrease of 56 schools and 3,684 students.<sup>10</sup> Additionally, 2017 legislation defined Virginia’s charter schools as nonsectarian public schools located in a school division and under the authority of a local school board.<sup>11</sup> As such, funding trends are difficult to obtain.

TOTAL DOLLAR AMOUNT FOR VIRGINIA’S PER PUPIL EXPENDITURE MINUS LOCAL AND FEDERAL FUNDS

State per student funding will be \$6,333 in FY22.

ALLOCATION OF STATE DOLLARS AND PERCENTAGE OF STATE BUDGET FOR P-12 AND HE<sup>12</sup>

|   |   |
|---|---|
| Virginia’s total operating budget for FY2022    | \$71,215,793,926                        |
| P-12 operating budget <sup>13</sup>             | \$9,276,697,047 (13.03%) <sup>14</sup>  |
| Higher education operating budget <sup>15</sup> | \$12,669,185,414 (17.46%) <sup>16</sup> |

9. <https://thecommonwealthinstitute.org/wp-content/uploads/2021/06/ARP-Flow-Chart.pdf>

10. <https://www.privateschoolreview.com/virginia>

11. [https://www.doe.virginia.gov/instruction/charter\\_schools/index.shtml](https://www.doe.virginia.gov/instruction/charter_schools/index.shtml)

12. <https://dpb.virginia.gov/budget/budget.cfm>

13. [http://publicreports.dpb.virginia.gov/rdPage.aspx?rdReport=BDocFinal\\_Agency&Biennium=2020-2022&BudgetRound=Amended&rdAgReset=True&iptAgency=197&rdLinkDataLayers=BDocFinal\\_Budget](http://publicreports.dpb.virginia.gov/rdPage.aspx?rdReport=BDocFinal_Agency&Biennium=2020-2022&BudgetRound=Amended&rdAgReset=True&iptAgency=197&rdLinkDataLayers=BDocFinal_Budget)

14. Down from 13.33% last report

15. [http://publicreports.dpb.virginia.gov/rdPage.aspx?rdReport=BDocFinal\\_Budget&Biennium=2020-2022&BudgetRound=Amended&rdAgReset=True&chkDollarAllFunds=True&chkDollarGF=False&chkDollarNGF=False&chkSecretarialAreaCode=False&chkAgencyCode=True&chkAgencyName=True&chkProgramCode=False&chkServiceAreaCode=False&chkFundGroupCode=False&chkSubobjectCode=False&chkSubobjectTitle=False&chkServiceAreaTitle=False&chkFundGroupTitle=False&chkProgramTitle=False&chkSecretarialAreaName=True&chkFundCode=False&chkFundTitle=False&iptValue1=Education&iptValue2=&chkPositionAllFunds=True&chkPositionGF=False&chkPositionNGF=False&selField1=SecretarialAreaName&selOperator1=%3d](http://publicreports.dpb.virginia.gov/rdPage.aspx?rdReport=BDocFinal_Budget&Biennium=2020-2022&BudgetRound=Amended&rdAgReset=True&chkDollarAllFunds=True&chkDollarGF=False&chkDollarNGF=False&chkSecretarialAreaCode=False&chkAgencyCode=True&chkAgencyName=True&chkProgramCode=False&chkServiceAreaCode=False&chkFundGroupCode=False&chkSubobjectCode=False&chkSubobjectTitle=False&chkServiceAreaTitle=False&chkFundGroupTitle=False&chkProgramTitle=False&chkSecretarialAreaName=True&chkFundCode=False&chkFundTitle=False&iptValue1=Education&iptValue2=&chkPositionAllFunds=True&chkPositionGF=False&chkPositionNGF=False&selField1=SecretarialAreaName&selOperator1=%3d)

16. Down from 18.90% last report